

EXHIBIT A

HEARING TRANSCRIPT

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE:	.	Chapter 11
	.	
MAWSON INFRASTRUCTURE GROUP,	.	Case No. 24-12726 (MFW)
INC.,	.	
	.	824 Market Street
	.	Wilmington, Delaware 19801
Alleged Debtor.	.	
.	Wednesday, January 22, 2025
MAWSON INFRASTRUCTURE GROUP,	.	
INC.,	.	Adv. Proc. No. 25-50008 (MFW)
	.	
vs.	.	
	.	
CELSIUS NETWORK LTD., CELSIUS	.	
MINING LLC and IONIC DIGITAL	.	
MINING LLC.	.	
.	

TRANSCRIPT OF HEARING RE:
EMERGENCY MOTION FOR TEMPORARY RESTRAINING ORDER AND
PRELIMINARY INJUNCTION EXTENDING THE AUTOMATIC STAY
BEFORE THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

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(Appearances Continued)

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INDEX

	<u>PAGE</u>
<u>ARGUMENT BY MR. HOENIG</u>	5
<u>ARGUMENT BY MR. WOFFORD</u>	9
<u>COMMENTS BY MR. DEHNEY</u>	20
<u>ARGUMENT BY MR. EDWARDS</u>	22
<u>FURTHER ARGUMENT BY MR. HOENIG</u>	23
<u>FURTHER ARGUMENT BY MR. WOFFORD</u>	27
<u>COURT DECISION</u>	29

1 to Mawson. Thank you.

2 THE COURT: All right. I'm ready to rule.

3 First, with respect to the last point, I agree --
4 or I agree with respect to the point about Mawson now
5 asserting that arbitration -- they're not seeking to move the
6 arbitration into this bankruptcy case. But in their last
7 comments, it suggested that they really were, that it can be
8 dealt with in this bankruptcy case. And I think that
9 judicial estoppel prevents the debtor from taking that
10 position.

11 In Celsius' bankruptcy case, Mawson argued that
12 this issue between the parties, the issues between the
13 parties should go to arbitration. It, ultimately, won that,
14 and it can't switch its position now. The parties have been
15 proceeding with the arbitration that it insisted on. And I
16 think its efforts, at this point, to stop that arbitration
17 are really in bad faith. It's just to delay the possibility
18 of losing the Rule 34 motion that is pending before the
19 arbitrator.

20 Even if judicial estoppel were not applicable here,
21 however, I find that the -- that Mawson has not met the
22 standard for a TRO here. The extension of the stay to
23 nondebtors is unusual and there is a heavy burden on the
24 party seeking that.

25 This is not the case where there are thousands of

1 lawsuits against a debtor, which will require the -- a debtor
2 and its subsidiaries, which will require the debtors'
3 management to be diverted from its bankruptcy purpose of a
4 reorganization, such as in the A.H. Robins and the many other
5 cases where the stay has been extended to nondebtors, such as
6 the directors and officers and subsidiaries.

7 And while the debtor asserts that Celsius has
8 argued that its subs are alter egos of Mawson, Mawson has not
9 conceded that point. Mawson has not argued that before the
10 arbitrator, to my knowledge, and has not really asserted it
11 in this case. It has not asserted that they are alter egos.
12 It has asserted merely that its management will be diverted
13 and that Mawson is paying the costs of defense. Those were
14 the assertions in its motion. I'm also persuaded that --
15 well, that is not enough.

16 Mawson has not articulated that it has a
17 reorganization purpose. And I think it is unusual to have
18 this argument in an involuntary proceeding. I also have not
19 found any cases where a purported debtor has sought to extend
20 the stay to its subsidiaries while it fights, opposes an
21 involuntary petition. And I agree that it seems to be
22 counter to its argument that there is a purpose to staying
23 these actions, while it fights an involuntary.

24 If it is correct and the involuntary is dismissed,
25 there is no stay at all against -- in favor of Mawson and

1 shouldn't be one in favor of its subsidiaries. And I think
2 that to extend the stay at this point while the -- while
3 Mawson is taking the position it shouldn't be in bankruptcy
4 is not appropriate.

5 I'm also convinced that the fact that the claims
6 being asserted by Celsius are against a sub convinces me that
7 it will not have a -- it's not jumping the line as to
8 Mawson's creditors. Mawson is the only purported debtor in
9 this involuntary case. It is already structurally superior
10 in priority to creditors of Mawson. The claims of creditors
11 get paid from the subsidiary before Mawson or its creditors
12 have any rights to those assets of those subsidiaries. So
13 it's not seeking to jump the line.

14 Further, the assertion that Mawson has to pay
15 defense costs? Those costs have already been incurred. The
16 answer has been filed, the reply has been filed. The only
17 thing pending in the arbitration right now is a decision by
18 the arbitrator on the Rule 34 motion. I don't think that's
19 enough to show that the debtor -- that Mawson and whatever
20 reorganization purpose it has will be harmed by allowing the
21 arbitration to proceed. But again, Mawson has not
22 articulated that it even has a reorganization purpose.

23 Mawson is asserting it's just a delay of a couple
24 of months, but a delay of a couple of months is significant
25 here, where the parties have been in arbitration for at least

1 six months.

2 And I agree with Celsius that I cannot ignore the
3 timing in this case. The arbitration has been going on for
4 months. Mawson has known about it for months. Mawson has
5 been involved in the involuntary filing, which was filed
6 December 4th, six weeks ago, has not sought a TRO before now,
7 literally waited until the last minute, until almost the eve
8 of the date it had to file a response, or its sub had to file
9 a response, before asking for a TRO. It's clear that the
10 harm to Mawson is insignificant. And now it has already
11 filed -- its sub has already filed, it's already paid those
12 defense costs, presumably.

13 And finally, on public policy, I really think that
14 it -- public policy favors arbitration even in bankruptcy
15 cases. And that has been articulated by the Third Circuit
16 and many other courts. Public policy does not favor
17 extending the automatic stay to nondebtors. And I think
18 Purdue made that clear, the Supreme Court in Purdue made that
19 clear.

20 Public policy does not -- certainly does not extend
21 the auto -- favor extending the automatic stay to nondebtors
22 in an involuntary case, where the debtor itself is contested
23 the need for a bankruptcy case, thereby negating any
24 reorganization purpose for that case.

25 So I just think the -- that Mawson has not met the

standards for a TRO or a preliminary injunction in this case,
so I will deny the motion.

And I'll ask counsel for Celsius to submit a form
of order to that effect after -- under certification of
counsel, after reviewing it with counsel for Mawson. Okay?

MR. WOFFORD: Understood, Your Honor.

THE COURT: All right. That being the only matter
before the Court, we will stand adjourned. Thank you.

COUNSEL: Thank you, Your Honor. Thank you, Your
Honor.

(Proceedings concluded at 11:15 a.m.)

CERTIFICATION

I certify that the foregoing is a correct
transcript from the electronic sound recording of the
proceedings in the above-entitled matter to the best of my
knowledge and ability.



January 23, 2025

Coleen Rand, AAERT Cert. No. 341

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